

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Social Services	(2) MEETING DATE 7/21/2015	(3) CONTACT/PHONE Trish Avery Caldwell (805) 788-2601									
(4) SUBJECT Request to approve two FY 2015-16 renewal service contracts (Clerk's File) for CalWORKs Expanded Subsidized Employment (ESE) with 1) Henkels and McCoy in the amount of \$567,606; and 2) Goodwill Central Coast in the amount of \$194,999. All Districts.											
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Approve, and direct the Chairperson to sign, a renewal service contract with Henkels and McCoy (H&M) for CalWORKs Expanded Subsidized Employment (ESE) for FY 2015-16 in the amount of \$567,606. 2. Approve, and direct the Chairperson to sign, a renewal service contract with Goodwill Central Coast (Goodwill) for CalWORKs Expanded Subsidized Employment (ESE) for FY 2015-16 in the amount of \$194,999. 											
(6) FUNDING SOURCE(S) Federal 85% State 15%	(7) CURRENT YEAR FINANCIAL IMPACT <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">H&M</td> <td style="text-align: right;">\$567,606</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;">\$194,999</td> </tr> </table>	H&M	\$567,606	Goodwill	\$194,999	(8) ANNUAL FINANCIAL IMPACT <table style="width: 100%; border: none;"> <tr> <td style="width: 30%;">H&M</td> <td style="text-align: right;">\$567,606</td> </tr> <tr> <td>Goodwill</td> <td style="text-align: right;">\$194,999</td> </tr> </table>	H&M	\$567,606	Goodwill	\$194,999	(9) BUDGETED? Yes
H&M	\$567,606										
Goodwill	\$194,999										
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(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)											
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A											
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) Henkels and McCoy: 19001561 Goodwill: 19001562		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A									
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>Nov 25, 2014</u>									
(17) ADMINISTRATIVE OFFICE REVIEW 											
(18) SUPERVISOR DISTRICT(S) All Districts											

County of San Luis Obispo



TO: Board of Supervisors

FROM: Social Services/Trish Avery Caldwell
(805) 788-2601

DATE: 7/21/2015

SUBJECT: Request to approve two FY 2015-16 renewal service contracts (Clerk's File) for CalWORKs Expanded Subsidized Employment (ESE) with 1) Henkels and McCoy in the amount of \$567,606; and 2) Goodwill Central Coast in the amount of \$194,999. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Approve, and direct the Chairperson to sign, a renewal service contract with Henkels and McCoy (H&M) for CalWORKs Expanded Subsidized Employment (ESE) for FY 2015-16 in the amount of \$567,606.
2. Approve, and direct the Chairperson to sign, a renewal service contract with Goodwill Central Coast (Goodwill) for CalWORKs Expanded Subsidized Employment (ESE) for FY 2015-16 in the amount of \$194,999.

DISCUSSION

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was signed into law in 1996 and promised to end welfare as once known by adding a workforce-development component, time-on-aid limits and other supportive services to help participants gain and maintain employment. One of the outcomes of PRWORA was the new Federal assistance program called Temporary Assistance for Needy Families (TANF) which replaced the legacy program known as Aid-to-Families-with-Dependent-Children (AFDC). California's TANF program, California Work Opportunity and Responsibility to Kids (CalWORKs), established detailed requirements for employment programs and supportive services to help low-income families succeed in becoming employed and move toward self-sufficiency. Specifically, subsidized employment is an approved program activity for CalWORKs Welfare-to-Work (WTW) participants and history has shown helps individuals moving toward self-sufficiency.

Subsidized Employment (SE) is an activity in which a CalWORKs WTW participant's employer is partially or wholly reimbursed for wages and/or training costs incurred for employing a CalWORKs participant. The original State subsidized employment structure was created under Assembly Bill (AB) [98](#) (Chapter 589, Statutes of 2007) and was expanded by Senate Bill (SB) [72](#) (Chapter 8, Statutes of 2011 and ACL [11-34](#)) following the State's very successful use of American Recovery and Reinvestment Act (ARRA) funds in 2009 and 2010. The use of ARRA funds in California created over 47,000 subsidized employment jobs. To build on the success of prior SE programs, AB [74](#) (Chapter 21, Statutes 2013; WIC §§ 11322.63 and 11322.64 and ACL [13-81](#)) was passed in 2013 and included program requirements for an Expanded Subsidized Employment (ESE) program which became effective January 1, 2014.

The ESE program extends the duration of funding allocated for subsidized employment and therefore increases the opportunities for participants looking to further develop their employment skills. Components of ESE includes, though are not limited to, assessment, training, intensive case management, increased subsidized employment opportunities, supervision, and job performance evaluations for all eligible CalWORKs WTW participants. Participation in ESE is at County option and requires a written ESE plan be submitted to California Department of Social Services (CDSS). The County Department of Social Services (DSS) submitted the required plan in February 2014 and it was approved by the State. A Request for Proposal was conducted in 2014 that resulted in contracts with Henkels and McCoy (H&M), and

Goodwill Industries of Santa Cruz, Monterey and San Luis Obispo Counties (now named Goodwill Central Coast). Both agencies offer unique employment services and partnerships that have maximized the County's opportunity to find appropriate jobs for our employable CalWORKs WTW participants.

Henkels and McCoy (H&M) is a privately held company that has been in business since 1923. They started as a landscape and construction company and grew into a nationwide engineering, construction and training firm. Their mission is to improve the quality of the workforce and enhance the productivity and competitiveness of the nation. To help obtain that goal, Henkels and McCoy Training Services began in 1983, and offer a full service employment and training program that operates throughout California and the United States (US). With one of the most experienced management teams in the business of helping people secure unsubsidized employment, they serve more than forty (40) communities per year that engage and empower participants to become self-sufficient. On a local level they have successfully provided Workforce Investment Act (WIA) employment services for at-risk youth to improve their employment skill base and become gainfully employed. For more information about services offered by H&M, visit their website at www.henkels.com.

Goodwill (formerly Goodwill Industries of Santa Cruz, Monterey, and San Luis Obispo Counties) has been providing specialized vocational services since 1928 in the Counties of Monterey, Santa Cruz, and San Luis Obispo Tri-County areas. Its mission is to provide training and employment opportunities to help people with disadvantaging conditions find employment. In San Luis Obispo County, Goodwill has provided vocational training, employment preparation and job retention services for over 15 years. Since the start of their Workforce Investment Act (WIA) services contract, Goodwill has operated a one-stop job center site in San Luis Obispo that has been in existence since 2000. Goodwill also provides remote service delivery in North County and coastal communities by facilitating Job Seekers Academies. In addition, they continue to offer WIA services in Salinas, Santa Cruz and Monterey Counties, along with administering a number of employment and training programs for the State Department of Rehabilitation, the Department of Labor (DOL), and private insurance carriers. Goodwill employs more than 480 employees and successfully provided workforce and vocational services in the past calendar year to more than 12,000 participants. For more information about services offered by Goodwill, visit their website at www.shorelineworks.org.

Specific to this contract, both H&M and Goodwill will provide subsidized employment and related services that include essential employability training, supervision, intensive case management and job performance evaluations. The program will provide 20-35 hours of paid training and employment per week over a 16-week period for each participant, encompassing a four-week Job Readiness and Retention Program (JRRP) and a 12-week subsidized employment placement. The program allows eligible CalWORKs WTW participants to gain basic work experience and learn new employment skills by performing basic-level duties as an employee during the paid employment opportunity. Subsidized employment has proven to assist CalWORKs WTW recipients in transition to and retaining unsubsidized employment. Services will be provided throughout San Luis Obispo County.

Approval of these contracts will ensure that CalWORKs ESE employment and training opportunities will be available to CalWORKs WTW participants wanting to develop their work skills, secure employment and live independently. All services are intended to advance long-term achievement and support both welfare reform goals and the outcomes of Assembly Bill 636 (AB 636), the Child Welfare System Improvement and Accountability Act (better known as the System Improvement Plan or SIP), which focuses on continuous improvement, interagency partnerships, community involvement and public reporting outcomes. These services support the Department and County goal of keeping our economy strong and viable and assuring that all share in this economic prosperity.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed and approved the contract as to legal form and effect.

FINANCIAL CONSIDERATIONS

The total contract amounts for H&M and Goodwill are \$567,606 and \$194,999 respectively. The H&M contract amount has increased by \$182,202 from the prior year for a number of reasons including the contract term increasing from 8 months to 12 months, the addition of a new service location in the 5-Cities area, and the expectation that additional CalWORKs participants will be served. The funding for these contracts is included in the DSS adopted budget for Fiscal Year 2015-16 and will require no General Fund contribution.

Agency	Budgeted FY 14-15	Budgeted FY 15-16	Notes	Sharing Ratios		
				Federal	State	Co
Henkels and McCoy Training Services	\$378,404	\$567,606	Expanded Subsidized Employment (ESE)	85%	15%	0%
Goodwill	\$194,999	\$194,999	Expanded Subsidized Employment (ESE)	85%	15%	0%

RESULTS

Henkels and McCoy Training Services

Fiscal Year 2014-15

Henkels and McCoy exceeded its performance outcome to provide Expanded Subsidized Employment (ESE) services to 34-36 eligible CalWORKs participants during an eight-month period. *As of March 31, 2015, a total of thirty eight (38) CalWORKs participants were enrolled in ESE. It is anticipated the number enrolled will be higher by the end of the contract which is June 30, 2015.*

Henkels and McCoy ESE services will result in eighty percent (80%) of CalWORKs participants enrolled in certification programs obtaining certification in their designated course of study by the end of their 16-week enrollment. *As of March 31, 2015, no one has completed the sixteen (16) week program and final results will be received on July 20, 2015, and reported in FY 15-16.*

Henkels and McCoy ESE services will result in seventy percent (70%) of CalWORKs participants placed in subsidized employment transitioned to unsubsidized positions within ninety (90) days of completing their 16-week ESE program. *As of March 31, 2015, no one has completed the sixteen (16) week program and final results will be received on July 20, 2015, and reported in FY 15-16.*

Fiscal Year 2015-16

Henkels and McCoy will provide Expanded Subsidized Employment (ESE) services to 42 eligible CalWORKs participants.

Henkels and McCoy ESE services will result in eighty percent (80%) of CalWORKs participants enrolled in certification programs obtaining certification in their designated course of study by the end of their 16-week enrollment.

Henkels and McCoy ESE services will result in seventy percent (70%) of CalWORKs participants placed in subsidized employment transitioned to unsubsidized positions within ninety (90) days of completing their 16-week ESE program.

Goodwill

Fiscal Year 14-15

Goodwill exceeded its performance outcome to provide Expanded Subsidized Employment (ESE) services to twenty (20) eligible CalWORKs participants during an eight-month period. *As of March 31, 2015, a total of twenty one (21) CalWORKs participants were enrolled in ESE. It is anticipated the number enrolled will be higher by the end of the contract which is June 30, 2015.*

Goodwill provided services that resulted in fifteen (15) of twenty one (21), or seventy one percent (71%), of CalWORKs participants enrolled in Job Readiness and Retention obtaining certification in their designated course of study as of March 31, 2015. *This result is slightly below the anticipated eighty percent (80%) of CalWORKs participants being enrolled in Job Readiness and Retention obtaining certification in their designated course of study, however there are CalWORKs participants who have not completed the course work as of March 31, 2015. It is anticipated the number obtaining certification will be higher by the end of the contract which is June 30, 2015.*

Goodwill provided services that resulted in five (5) of twenty one (21), or twenty three percent (23%) of CalWORKs participants being placed in unsubsidized employment upon completing their 16-week ESE program as of March 31, 2015. *This result is below the anticipated seventy percent (70%) of CalWORKs participants being placed in unsubsidized within ninety (90) days of completing their 16-week ESE program. This is the first year for the ESE contract and both DSS and Goodwill are looking at strategies to increase the number of CalWORKs participants that obtain unsubsidized employment upon completion of the 16-week ESE program. It is anticipated the number placed in unsubsidized employment will be higher by the end of the contract which is June 30, 2015.*

Fiscal Year 15-16

Goodwill will provide Expanded Subsidized Employment (ESE) services to thirty (30) eligible CalWORKs participants during an eight-month period.

Goodwill services will result in eighty percent (80%) of CalWORKs participants enrolled in ESE work experience will perform at satisfactory or above as reflected on a weekly job performance evaluation.

Seventy percent (70%) of CalWORKs participants placed in subsidized employment will be transitioned to unsubsidized positions within ninety (90) days of completing their 16-week ESE program.

ATTACHMENTS

1. Clerk's File Statement for contract with Henkels and McCoy
2. Clerk's File Statement for contract with Goodwill